MARCEL ASSELBERGHS
Bedrijfsrevisor

KUNSTLAAN 56
B - 1040 BRUSSEL

Member Firm of
ARTHUR ANDERSEN & Co., S.C.
(GENEVE)

To the Members of the
International Tobacco Information Center (INFOTAB):

We have examined the statements of assets and liabilities of the INTERNATIONAL TOBACCO INFORMATION CENTER (INFOTAB) (Note 1) as of December 31, 1983 and 1982, and the related statements of revenues and expenses for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the assets and liabilities of the International Tobacco Information Center (INFOTAB) as of December 31, 1983 and 1982, and the revenues and expenses for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

MARCEL ASSELBERGHS

Edward Holding

Edward Holding

February 1, 1984.

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(02) 513. 32. 60 B. T. W. 538.278.338 Bank 210-0474759-93

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INTERNATIONAL TOBACCO INFORMATION CENTER (INFOTAB)

STATEMENTS OF ASSETS AND LIABILITIES

DECEMBER 31, 1983 AND 1982

(Currency -- Belgian Francs)

A S S E T S

	1983	1982
CURRENT ASSETS:		
Cash	3,025,466	8,517,944
Time deposits (Note 3)	19,834,070	4,674,000
Membership contributions receivable (Note 1)	1,356,530	109,953
VAT receivable	588,163	737,898
Advances to personnel	212,833	252,833
Prepaid expenses	614,692	260,662
	25,631,754	14,553,290
GUARANTEE DEPOSITS	1,158,054	1,064,654
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, at cost (Note 2)	6,158,624	5,389,649
Less- Accumulated depreciation	(3,748,006)	(2,253,383)
	2,410,618	3,136,266
	29,200,426	18,754,210

L I A B I L I T I E S

	1983	1982
CURRENT LIABILITIES:		
Accounts payable	5,172,715	8,671,282
Accrued expenses	6,574,950	6,050,446
	11,747,665	14,721,728
COMMITMENTS AND CONTINGENCIES (Note 6)		
EXCESS OF REVENUES OVER EXPENSES	17,452,761	4,032,482
	29,200,426	18,754,210

The accompanying notes to the financial statements are an integral part of these statements.

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INTERNATIONAL TOBACCO INFORMATION CENTER (INFOTAB)

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1983 AND 1982

(Currency -- Belgian Francs)

	1983	1982
REVENUES:		
Contributions from members (Note 1)	129,808,307	93,092,229
Interest and miscellaneous income	765,505	534,313
Exchange gains	1,619,489	1,891,502
	132,193,301	95,518,044
EXPENSES:		
Project expenses (Note 4)	24,975,102	24,625,534
Salaries and allowances	49,346,976	34,641,455
Other administrative expenses (Note 5)	44,450,944	34,028,339
	118,773,022	93,295,328
EXCESS OF REVENUES OVER EXPENSES	13,420,279	2,222,716
EXCESS OF REVENUES OVER EXPENSES, December 31, 1982	4,032,482	1,809,766
EXCESS OF REVENUES OVER EXPENSES, December 31, 1983	17,452,761	4,032,482

The accompanying notes to these financial statements are an integral part of these statements.

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INTERNATIONAL TOBACCO INFORMATION CENTER (INFOTAB)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1983 AND 1982

1. BASIS FOR PRESENTING FINANCIAL STATEMENTS

The International Tobacco Information Center (INFOTAB) is a Swiss "Association sans but lucratif". The Center's secretariat is located in Brussels, Belgium, where it has the status of a non-profit organization.

The Center is mainly supported by six major tobacco manufacturing companies. Their contributions to the Center are determined on the basis that they share equally the approved administrative expenses' budget and share the approved project expenses' budget in the ratio of their respective tobacco sales volumes. In 1982, memberships were extended to include Associate and Allied members. Their annual membership dues are based on a sliding scale formula in relation to their annual turnover, except that the annual dues for National Manufacturing Associations (NMA'S) are fixed at U.S. $500.

2. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Fixed assets are depreciated on a straight-line basis. The annual depreciation rates have been determined on the basis of the expected economic useful lives of these assets and are as follows:

Furniture and equipment	20 to 25%
Leasehold improvements	33 1/3 %

3. TIME DEPOSITS

As of December 31, 1983, the Center had a time deposit of U.S. $250,000 (BF 14,150,000) with the Banque Bruxelles Lambert (Suisse), bearing interest at 10.125% per annum and maturing at January 10, 1984 and a deposit of U.S. $100,426 (BF 5,684,070) with the Banque de Commerce (Bruxelles), bearing interest at 10.25% per annum and maturing at January 4, 1984.

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4. PROJECT EXPENSES

An analysis of 1983 project expenses is as follows:

Project Name	Amount
Public smoking film	8,599,462
Winnipeg conference	4,618,346
Leaf/food reports	2,466,450
Social costs - social values	2,301,000
Long-term communication program	1,516,280
CATAC follow-up	1,450,635
Scandinavian study	1,400,000
Economic contribution model for L.D.C's	1,316,700
L.D.C. compilation	620,880
Mobilising of leaf sector and other Tobacco allies	412,075
Taxation	273,274
	24,975,102

5. OTHER ADMINISTRATIVE EXPENSES

The amounts of other administrative expenses reflected in the statements of revenues and expenses consist of the following:

	1983	1982
Professional fees	11,301,587	5,124,792
Travel	6,993,598	6,891,268
Meetings	4,848,510	2,951,993
Occupancy	3,940,926	3,536,735
Communications	3,115,830	2,415,394
Equipment rental	2,770,737	2,049,996
Freight and postage	2,433,874	1,012,704
Depreciation	1,529,623	1,409,385
Transportation	1,142,806	1,070,431
Publications	1,052,857	1,177,942
Supplies	882,265	854,045
Relocation and moving	870,014	909,542
Translations	762,543	615,576
Entertainment	634,098	309,358
Temporary office staff	614,836	517,028
Presentations and printing	380,234	-
Bank charges	365,463	244,504
Personnel recruiting	292,249	2,562,874
Events monitoring	292,000	467,825
Insurance	129,236	150,458
Training	93,758	91,259
Subscriptions and memberships	3,900	22,750
Reversal of prior year reserves no longer required	-	(357,520)
	44,450,944	34,028,339

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6. LEASE AND RENTAL COMMITMENTS

The Center has entered into several lease and rental contracts covering office space, cars, telephone and office equipment. The contracts expire at various dates in the future. The commitment for future rental and lease payments at December 31, 1983 is as follows:

Year	Amount
1984	5,167,000
1985	3,775,000
1986	2,847,000
1987	2,667,000
1988	2,667,000
Subsequently	1,040,000
	18,163,000

7. 1984 BUDGET

The 1984 budget submitted for approval to the Board of Directors on October 30 and 31, 1983, is as follows:

	U.S.$	Belgian Francs
Secretariat	2,090,360	104,518,000
Projects	586,000	29,300,000
Total	2,676,360	133,818,000

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